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FM AMCONSUL SAO PAULO  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8894  
INFO RHEHNSC/NATIONAL SECURITY COUNCIL WASHDC IMMEDIATE  
RUEHBR/AMEMBASSY BRASILIA PRIORITY 0041  
RUEHRI/AMCONSUL RIO DE JANEIRO PRIORITY 8995

UNCLAS SAO PAULO 000050

SIPDIS

STATE INR/R/MR; IIP/R/MR; WHA/PD

E.O. 12958: N/A

TAGS: KMDR OPRC OIIP XM XR XF BR

SUBJECT: MEDIA REACTION: GLOBAL ECONOMY

Latin America and the Crisis: an anti-cyclical and progressive answer

Op-Ed in business-oriented Valor Económico (1-26) by Marcelo M. Giugale, World Bank Director of Economic Policy and Poverty Reduction for Latin America and the Caribbean: "Latin American governments need to amortize the impact of the global financial crisis. They do not have many tools to do this. But they do have one that is particularly powerful, as it encourages both economic growth and social fairness: the transformation of subsidies for all into subsidies for all the poor....Latin America spends annually between 5% and 10% of its GDP on subsidies....This crisis is an opportunity [to direct the subsidies to the homes that need it most]."  
White